



General Assembly

February Session, 2006

***Raised Bill No. 663***

LCO No. 3110

\*03110\_\_\_\_\_ENV\*

Referred to Committee on Environment

Introduced by:  
(ENV)

***AN ACT CREATING A CENTER FOR AGRICULTURAL FINANCE AND INNOVATION, INCORPORATED.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1       Section 1. (NEW) (*Effective July 1, 2006*) (a) There is hereby created a  
2       body politic and corporate to be known as the "Center for Agricultural  
3       Finance and Innovation, Incorporated". Such corporation is constituted  
4       a public instrumentality and political subdivision of the state and the  
5       exercise by the corporation of the powers conferred in this act shall be  
6       deemed and held to be the performance of an essential public and  
7       governmental function. The Center for Agricultural Finance and  
8       Innovation, Incorporated shall not be construed to be a department,  
9       institution or agency of the state.

10       (b) The corporation shall be governed by a board of fifteen directors.  
11       Eight members shall be appointed by the Governor, at least six of  
12       whom shall be knowledgeable and have favorable reputations for skill,  
13       knowledge and experience, in agriculture, agricultural business or  
14       agricultural finance. The Commissioner of Agriculture shall be a  
15       member and shall have all of the powers and privileges of a member of  
16       the board of directors. The Commissioner of Agriculture may

17 designate his or her deputy or any member of his or her staff to  
18 represent him or her at meetings of the corporation with full power to  
19 act and vote on his or her behalf. Six members shall be appointed as  
20 follows: Two by the president pro tempore of the Senate, one by the  
21 minority leader of the Senate, two by the speaker of the House of  
22 Representatives and one by the minority leader of the House of  
23 Representatives. Each member appointed by the Governor shall serve  
24 at the pleasure of the Governor but no longer than the term of office of  
25 the Governor or until the member's successor is appointed and  
26 qualified, whichever is longer. Each member appointed by a member  
27 of the General Assembly shall serve in accordance with the provisions  
28 of section 4-1a of the general statutes. A director shall be eligible for  
29 reappointment. The Governor shall fill any vacancy for the unexpired  
30 term of a member appointed by the Governor. The appropriate  
31 legislative appointing authority shall fill any vacancy for the unexpired  
32 term of a member appointed by such authority.

33 (c) The chairperson of the board shall be appointed by the  
34 Governor, with the advice and consent of both houses of the General  
35 Assembly. The directors shall annually elect one of their number as  
36 secretary. The board may elect such other officers of the board as it  
37 deems proper. Members shall receive no compensation for the  
38 performance of their duties but shall be reimbursed for necessary  
39 expenses incurred in the performance thereof.

40 (d) Each director of the corporation before entering upon his duties  
41 shall take and subscribe the oath or affirmation required by article  
42 eleventh, section 1, of the State Constitution. A record of each such  
43 oath or affirmation shall be filed in the office of the Secretary of the  
44 State. The board of directors of the corporation shall adopt written  
45 procedures, in accordance with the provisions of section 1-121 of the  
46 general statutes, for: (1) Adopting an annual budget and plan of  
47 operations, including a requirement of board approval before the  
48 budget or plan may take effect; (2) hiring, dismissing, promoting and  
49 compensating employees of the corporation, including an affirmative

50 action policy and a requirement of board approval before a position  
51 may be created or a vacancy filled; (3) purchasing, leasing or acquiring  
52 real and personal property and personal services, including a  
53 requirement of board approval for any nonbudgeted expenditure in  
54 excess of five thousand dollars; (4) contracting for financial, legal, bond  
55 underwriting and other professional services, including a requirement  
56 that the corporation solicit proposals at least once every three years for  
57 each such service which it uses; (5) awarding loans, grants and other  
58 financial assistance, including eligibility criteria, the application  
59 process and the role played by the corporation's staff and board of  
60 directors; and (6) the use of surplus funds to the extent authorized  
61 under the provisions of the general statutes.

62 (e) The corporation shall have the authority to contract with the  
63 Department of Agriculture for administrative or other services.

64 Sec. 2. (NEW) (*Effective July 1, 2006*) The Center for Agricultural  
65 Finance and Innovation, Incorporated shall have perpetual succession  
66 and shall adopt, amend and repeal bylaws for the conduct of its affairs.  
67 Such succession shall continue until the existence of the corporation is  
68 terminated by law, provided no such termination shall affect any  
69 outstanding contractual obligation of the corporation to assist any  
70 person and the state shall succeed to the obligations of the corporation  
71 under such contract. Upon termination of the corporation, its rights  
72 and properties shall pass to and be vested in the state.

73 Sec. 3. (NEW) (*Effective July 1, 2006*) (a) The powers of the Center for  
74 Agricultural Finance and Innovation, Incorporated shall be vested in  
75 and exercised by the board of directors. Eight members of the board  
76 shall constitute a quorum and the affirmative vote of a majority of the  
77 members present at a meeting of the board shall be necessary and  
78 sufficient for any action taken by the board. No vacancy in the  
79 membership of the board shall impair the right of a quorum to exercise  
80 all the rights and perform all the duties of the board. Any action taken  
81 by the board may be authorized by resolution at any regular or special

82 meeting and shall take effect immediately unless otherwise provided  
83 in the resolution. Notice of any regular meeting shall be given in  
84 writing, by telephone or orally, not less than forty-eight hours prior to  
85 the meeting. Notice of any special meeting shall be given in accordance  
86 with subsection (d) of section 1-225 of the general statutes.

87 (b) The board may delegate to three or more of its members such  
88 board powers and duties as it may deem proper. At least one of such  
89 members shall not be a state employee. The board shall establish such  
90 committees, subcommittees or other entities as it deems necessary to  
91 further the purposes of the corporation including, but not limited to, a  
92 finance committee and one or more technical peer review committees.

93 Sec. 4. (NEW) (*Effective July 1, 2006*) The board shall appoint an  
94 executive director of the Center for Agricultural Finance and  
95 Innovation, Incorporated who shall not be a member of the board and  
96 who shall serve at the pleasure of the board and shall receive such  
97 compensation as shall be determined by the board. The executive  
98 director shall direct and supervise administrative affairs and the  
99 general management of the corporation. The executive director may  
100 employ such other employees as shall be designated by the board of  
101 directors; shall attend all meetings of the board and shall keep a record  
102 of all proceedings and maintain and be custodian of all books,  
103 documents and papers filed with the corporation and of the minute  
104 book of the corporation and of its official seal. The executive director  
105 may cause copies to be made of all minutes and other records and  
106 documents of the corporation and may give certificates under the  
107 official seal of the corporation to the effect that such copies are true  
108 copies, and all persons dealing with the corporation may rely upon  
109 such certificates. The executive director or the executive director's  
110 designee may serve as a member of such other boards or committees  
111 as may be necessary or desirable to carry out the purposes of the  
112 corporation.

113 Sec. 5. (NEW) (*Effective July 1, 2006*) The purposes of the Center for

114 Agricultural Finance and Innovation, Incorporated shall be to provide  
115 financing for agricultural business development to encourage  
116 agricultural business growth and innovation, to encourage the creation  
117 and transfer of new agricultural technologies, to assist existing  
118 agricultural businesses in adopting current and innovative  
119 technological processes, to stimulate and provide services to  
120 agricultural industry that will advance the adoption and utilization of  
121 agricultural technology, to achieve improvements in the quality of  
122 agricultural products and services, to stimulate and encourage the  
123 development and operation of new and existing agricultural business  
124 incubator facilities and to promote agricultural science and other  
125 disciplines that are essential to the development and application of  
126 agricultural technology within Connecticut by the infusion of financial  
127 aid for research, invention and innovation in situations in which such  
128 financial aid would not otherwise be reasonably available from  
129 commercial or other sources, and for these purposes the corporation  
130 shall have the following powers:

131 (1) To have perpetual succession as a body corporate and to adopt  
132 bylaws, policies and procedures for the regulation of its affairs and  
133 conduct of its businesses as provided in section 32-36 of the general  
134 statutes;

135 (2) To enter into venture agreements with persons, upon such terms  
136 and on such conditions as are consistent with the purposes of this act,  
137 for the advancement of financial aid to such persons for the research,  
138 development and application of specific technologies, products,  
139 procedures, services and techniques, to be developed and produced in  
140 this state, and to condition such agreements upon contractual  
141 assurances that the benefits of increasing or maintaining employment  
142 and tax revenues shall remain in this state and shall accrue to it;

143 (3) To solicit, receive and accept aid, grants or contributions from  
144 any source of money, property or labor or other things of value, to be  
145 held, used and applied to carry out the purposes of chapter of this act,

146 subject to the conditions upon which such grants and contributions  
147 may be made, including, but not limited to, gifts or grants from any  
148 department or agency of the United States or the state;

149 (4) To invest in, acquire, lease, purchase, own, manage, hold and  
150 dispose of real property and lease, convey or deal in or enter into  
151 agreements with respect to such property on any terms necessary or  
152 incidental to the carrying out of these purposes; provided all such  
153 acquisitions of real property for the corporation's own use with  
154 amounts appropriated by the state to the corporation or with the  
155 proceeds of bonds supported by the full faith and credit of the state  
156 shall be subject to the approval of the Secretary of the Office of Policy  
157 and Management and the provisions of section 4b-23 of the 2006  
158 supplement to the general statutes;

159 (5) To borrow money or to guarantee a return to the investors in or  
160 lenders to any capital initiative, to the extent permitted under this act;

161 (6) To hold patents, copyrights, trademarks, marketing rights,  
162 licenses, or any other evidences of protection or exclusivity as to any  
163 products as defined herein, issued under the laws of the United States  
164 or any state or any nation;

165 (7) To employ such assistants, agents and other employees as may  
166 be necessary or desirable, which employees shall be exempt from the  
167 classified service and shall not be employees, as defined in subsection  
168 (b) of section 5-270 of the 2006 supplement to the general statutes;  
169 establish all necessary or appropriate personnel practices and policies,  
170 including those relating to hiring, promotion, compensation,  
171 retirement and collective bargaining, which need not be in accordance  
172 with chapter 68, and the corporation shall not be an employer as  
173 defined in subsection (a) of section 5-270 of the 2006 supplement to the  
174 general statutes; and engage consultants, attorneys and appraisers as  
175 may be necessary or desirable to carry out its purposes in accordance  
176 with this chapter;

177       (8) To make and enter into all contracts and agreements necessary or  
178       incidental to the performance of its duties and the execution of its  
179       powers under this act;

180       (9) To sue and be sued, plead and be impleaded, adopt a seal and  
181       alter the same at pleasure;

182       (10) With the approval of the State Treasurer, to invest any funds  
183       not needed for immediate use or disbursement, including any funds  
184       held in reserve, in obligations issued or guaranteed by the United  
185       States of America or the state of Connecticut and in other obligations  
186       which are legal investments for retirement funds in this state;

187       (11) To procure insurance against any loss in connection with its  
188       property and other assets in such amounts and from such insurers as it  
189       deems desirable;

190       (12) To the extent permitted under its contract with other persons, to  
191       consent to any termination, modification, forgiveness or other change  
192       of any term of any contractual right, payment, royalty, contract or  
193       agreement of any kind to which the corporation is a party;

194       (13) To acquire, lease, purchase, own, manage, hold and dispose of  
195       personal property, and lease, convey or deal in or enter into  
196       agreements with respect to such property on any terms necessary or  
197       incidental to the carrying out of these purposes;

198       (14) In connection with any application for assistance under this  
199       chapter, or commitments therefor, to make and collect such fees as the  
200       corporation shall determine to be reasonable;

201       (15) To enter into venture agreements with persons, upon such  
202       terms and conditions as are consistent with the purposes of this  
203       chapter to provide financial aid to such persons for the marketing of  
204       new and innovative agricultural products and services based on the  
205       use of a specific technology, product, device, technique, service or  
206       process;

207       (16) To enter into limited partnerships or other contractual  
208       arrangements with private and public sector entities as the corporation  
209       deems necessary to provide financial aid which shall be used to make  
210       investments of seed venture capital in agricultural companies based in  
211       or relocating to the state in a manner which shall foster additional  
212       capital investment, the establishment of new agricultural businesses,  
213       the creation of new agricultural jobs and additional commercially-  
214       oriented research and development activity. The repayment of such  
215       financial aid shall be structured in such manner as the corporation  
216       deems will best encourage private sector participation in such limited  
217       partnerships or other arrangements. The board of directors, executive  
218       director, officers and staff of the corporation may serve as members of  
219       any advisory or other board which may be established to carry out the  
220       purposes of this subdivision;

221       (17) To account for and audit funds of the corporation and funds of  
222       any recipients of financial aid from the corporation;

223       (18) To advise the Governor, the General Assembly, and the  
224       Commissioner of Agriculture on matters relating to agriculture and  
225       agricultural technology which may have an impact on state policies,  
226       programs, employers and residents, and on job creation and retention;

227       (19) To promote agriculture-based development in the state;

228       (20) To encourage and promote the establishment of and, within  
229       available resources, to provide financial aid to advance agricultural  
230       businesses;

231       (21) To maintain an inventory of data and information concerning  
232       state and federal programs which are related to the purposes of this act  
233       and to serve as a clearinghouse and referral service for such data and  
234       information;

235       (22) To conduct and encourage research and studies relating to  
236       agricultural development;



237       (23) To encourage and provide technical assistance and, within  
238       available resources, to provide financial aid to existing agricultural  
239       businesses in the process of adopting innovative technology and new  
240       state-of-the-art processes and techniques;

241       (24) To recommend state goals for agricultural development and to  
242       establish policies and strategies for developing and assisting  
243       agriculture-based companies;

244       (25) To promote and encourage and, within available resources, to  
245       provide financial aid for the establishment, maintenance and operation  
246       of agriculture related incubator facilities;

247       (26) To promote and encourage the coordination of public and  
248       private resources and activities within the state in order to assist  
249       agriculture-based entrepreneurs and business enterprises;

250       (27) To provide services to agricultural industry that will stimulate  
251       and advance the adoption and utilization of technology and achieve  
252       improvements in the quality of products and services;

253       (28) To promote agricultural science and other agriculture related  
254       disciplines that are essential to the development and application of  
255       agricultural technology;

256       (29) To do all acts and things necessary and convenient to carry out  
257       the purposes of this section;

258       (30) To accept from the Department of Agriculture: (A) Financial  
259       assistance, (B) revenues or the right to receive revenues with respect to  
260       any program under the supervision of the department, and (C) loan  
261       assets or equity interests in connection with any program under the  
262       supervision of the department; to make advances to and reimburse the  
263       department for any expenses incurred or to be incurred by it in the  
264       delivery of such assistance, revenues, rights, assets, or interests; to  
265       enter into agreements for the delivery of services by the corporation, in  
266       consultation with the department, to third parties which agreements

267 may include provisions for payment by the department to the  
268 corporation for the delivery of such services; and to enter into  
269 agreements with the department for the sharing of assistants, agents  
270 and other consultants, professionals and employees, and facilities and  
271 other real and personal property used in the conduct of the  
272 corporation's affairs;

273 (31) To transfer to the Department of Agriculture: (A) Financial  
274 assistance, (B) revenues or the right to receive revenues with respect to  
275 any program under the supervision of the corporation, and (C) loan  
276 assets or equity interests in connection with any program under the  
277 supervision of the corporation, provided the transfer of such financial  
278 assistance, revenues, rights, assets or interests is determined by the  
279 corporation to be practicable, within the constraints and not  
280 inconsistent with the fiduciary obligations of the corporation imposed  
281 upon or established upon the corporation by any provision of the  
282 general statutes, the corporation's bond resolutions or any other  
283 agreement or contract of the corporation and to have no adverse effect  
284 on the tax-exempt status of any bonds of the state;

285 (32) With respect to any capital initiative, to create, with one or more  
286 persons, one or more affiliates and to provide, directly or indirectly, for  
287 the contribution of capital to any such affiliate, each such affiliate being  
288 expressly authorized to exercise on such affiliate's own behalf all  
289 powers which the corporation may exercise under this section, in  
290 addition to such other powers provided to it by law;

291 (33) To provide financial aid to enable agricultural technology  
292 companies to lease, acquire, construct, maintain, repair, replace or  
293 otherwise obtain and maintain production, testing, research,  
294 development, manufacturing, laboratory and related and other  
295 facilities, improvements and equipment; and

296 (34) To provide financial aid to persons developing agricultural  
297 business incubator facilities.

298       Sec. 6. Subsection (l) of section 1-79 of the 2006 supplement to the  
299       general statutes is repealed and the following is substituted in lieu  
300       thereof (*Effective July 1, 2006*):

301       (l) "Quasi-public agency" means the Center for Agricultural Finance  
302       and Innovation, Incorporated, the Connecticut Development  
303       Authority, Connecticut Innovations, Incorporated, Connecticut Health  
304       and Education Facilities Authority, Connecticut Higher Education  
305       Supplemental Loan Authority, Connecticut Housing Finance  
306       Authority, Connecticut Housing Authority, Connecticut Resources  
307       Recovery Authority, Connecticut Hazardous Waste Management  
308       Service, Lower Fairfield County Convention Center Authority, Capital  
309       City Economic Development Authority and Connecticut Lottery  
310       Corporation.

311       Sec. 7. Section 1-120 of the general statutes is repealed and the  
312       following is substituted in lieu thereof (*Effective July 1, 2006*):

313       As used in sections 1-120 to 1-123, inclusive:

314       (1) "Quasi-public agency" means the Center for Agricultural Finance  
315       and Innovation, Incorporated, the Connecticut Development  
316       Authority, Connecticut Innovations, Incorporated, Connecticut Health  
317       and Educational Facilities Authority, Connecticut Higher Education  
318       Supplemental Loan Authority, Connecticut Housing Finance  
319       Authority, Connecticut Housing Authority, Connecticut Resources  
320       Recovery Authority, Connecticut Hazardous Waste Management  
321       Service, Capital City Economic Development Authority and  
322       Connecticut Lottery Corporation.

323       (2) "Procedure" means each statement, by a quasi-public agency, of  
324       general applicability, without regard to its designation, that  
325       implements, interprets or prescribes law or policy, or describes the  
326       organization or procedure of any such agency. The term includes the  
327       amendment or repeal of a prior regulation, but does not include,  
328       unless otherwise provided by any provision of the general statutes, (A)

329 statements concerning only the internal management of any agency  
330 and not affecting procedures available to the public and (B) intra-  
331 agency memoranda.

332 (3) "Proposed procedure" means a proposal by a quasi-public  
333 agency under the provisions of section 1-121 for a new procedure or  
334 for a change in, addition to or repeal of an existing procedure.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2006</i>	New section
Sec. 2	<i>July 1, 2006</i>	New section
Sec. 3	<i>July 1, 2006</i>	New section
Sec. 4	<i>July 1, 2006</i>	New section
Sec. 5	<i>July 1, 2006</i>	New section
Sec. 6	<i>July 1, 2006</i>	1-79(l)
Sec. 7	<i>July 1, 2006</i>	1-120

***Statement of Purpose:***

To spur agricultural growth and development in the state.

*[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]*